



**MCI Communications
Corporation**

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Leonard S. Sawicki
Director
FCC Affairs

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April 9, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street NW
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

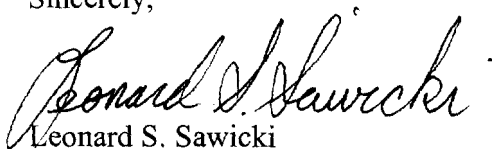
Re: CCB/CPD 98-12: MCI Petition for Prescription of Tariffs Implementing Access
Charge Reform
CC Docket No. 97-250: Tariffs Implementing Access Charge Reform

Dear Ms. Salas:

Today, Mary Brown, Victoria Harker, Jim Nedohon and I met with Rich Lerner, Lloyd Collier and Aaron Goldschmidt of the Competitive Pricing Division of the Common Carrier Bureau. The purpose of the meeting was to review MCI's efforts to improve the line information it receives from the LECs and provide a status report on LEC billing of PICC charges. The attached information was used during the meeting and details the topics discussed.

Please add this letter and the enclosed copy to the record of this proceeding.

Sincerely,


Leonard S. Sawicki

Attachment

cc: Mr. Collier
Mr. Goldschmidt
Mr. Lerner

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PICC AUDIT UPDATE


MCI
April 9, 1998

PICC Audit Process



- Cross-organizational Working Group Established to Define Steps for MCI To Research PICC Charges
- TELCO Cost Systems Management receives Bill Summary and Detail Files from the LECs
 - Summary Billing Is Sent to each respective Center for Review
 - PICC Detail File Is Formatted for Processing by Center and MCI Business Segments
- Initial Disputes Filed have been initiated following review by the Telco Centers
- Subsequent Process throughout company includes using the PICC Detail File for Performing additional Edit and Validation Checks resulting in more Exception Reports and possible Future Disputes

PICC Audit Process

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- Regional Telco Centers are Auditing & Paying PICC Bills While Disputing PICC Charges As Identified Through their Audit Process
 - Utilize Multiple Resources Including Information Provided by MCI Business Segments
 - Maintain the Decision to Pay or Not to Pay
 - Resolve Disputes With the LECS and Report Dispute Successes
 - Responsible for the Following Audits Immediately
 - Reconciliation of ANI Detail to Summary
 - Identification of Duplicate ANI's
 - Validation of CIC's
 - Validation of Rates
 - Validation of Jurisdiction
 - Class of Customer % Filed With the FCC
 - Month to Month Trending
 - Class of Customer Change Trending
 - Solely Responsible for Interacting With LECs on Issues of Data Integrity, PICC Disputes and File Issues. Exception to This Would Be for CARE Transactions.

PICC Audit Process - Findings



- \$14M of Disputes have been filed with the LECs on \$46M of Charges, 30%, for just January and February Billing
 - Initial Audits are not yet complete

- Insufficient Detail is the Primary Dispute Category Resulting in \$11.4M, 24% of the Filings
 - Southwestern Bell billed January and February PICC charges on the March 5th invoices. All of the \$3.9M in charges due to SWB's inability to provide standard ANI level back-up reporting in addition to there being numerous problems with the actual bills (ie. no rates or class of customer). "Standard" back-up will not be provided until September CABS release even though all other LECs have completed workaround.
 - Bell South Rejected in total for January and February for \$7.0M in charges. Billing information missing rates and class of customers. Resolution pending.

PICC Audit Process - Findings



➤ Dispute Categories include:

- Insufficient Detail
- Centrex Lines Billing as Multiline Business
- Inability to Load Invoice due to Incorrect/Missing Data
- Billed for Incorrect Carrier Identification Codes
- Duplications as Defined by the Telco Centers
- Detail does not match Bill Summary
- Tax Dispute, MCI Charged Taxes on Bill in State Where Exempt
- PICC charged on both Intrastate and Interstate - not permitted by legislation
- Incorrect Rates for Class of Customers
- Late Payment Charges
- Circuit Verification

PICC Audit Process - Findings



- Additional Research continues at the Business Segment level to identify valid charges. Discrepancies include:
 - ANIs Disconnected by the LEC prior to the PICC Extraction Date
 - ANIs Not Found on our Databases for Multiple Months
 - More than 500K ANIs Are Not Found from February Invoices with 85% - 99% Not Found for Two Months
 - Not Found accounts for 0.7% - 4.9% of the Billed ANIs.
 - Sample of records researched were confirmed to another OCC in LEC's database and switch for 1-1/2 years.
 - ANIs Confirmed to be MCI based on the LECs's database, however, the LEC switch record reflected another OCC.
 - Switch reconciliation initiated resulting in 9K installs
 - Unable to Reconcile Non-Primary Line Charges to Customer Data Evident in Match of Only 53% to Multiline Accounts for Residential Customers